

IRVIN CORLEY, JR.  
FISCAL ANALYST  
(313) 224-1076

**City of Detroit**  
CITY COUNCIL  
FISCAL ANALYSIS DIVISION  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 218  
Detroit, Michigan 48226  
FAX: (313) 224-2783  
E-Mail: cc-fiscal@ci.detroit.mi.us

ANNE MARIE LANGAN  
ASSISTANT FISCAL ANALYST  
(313) 224-1078

TO: Noble Maseru, PhD., MPH, Director  
Department of Health and Wellness Promotion

FROM: Irvin Corley, Jr., Fiscal Analysis Director 

DATE: April 25, 2005

RE: 2005-06 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2005-06 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:cyb

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Sean Werdlow, Chief Financial Officer-Mayor's Office  
Roger Short, Budget Department Director  
Tanya Stoudemire, Budget Manager  
Kandia Milton, Mayor's Office

## Department of Health and Wellness Promotion (25)

### FY 2005-06 Budget Analysis by the Fiscal Analysis Division

#### Summary

The Health Department is a General Fund agency. However, 67% of the department's funding comes from state and federal funds.

The charge of the Health Department is to promote and protect the health of residents, visitors and those doing business in the city. The department operates the Herman Kiefer Health Complex that includes a primary care center, three other primary care centers throughout the city, the Animal Control Center, and is responsible for the Rodent Impact Program.

The recommended 2005-06 budgeted appropriations total \$97.6 million, a \$12.4 million decrease over the current fiscal year. The department's 2005-06 net tax cost is \$13.4 million, a decrease of \$10.49 million, over the current fiscal year's net tax cost.

The budget recommends a net decrease of 155 positions- 48 layoffs; 108 vacant positions to be taken out of the budget along with 1 new position of Deputy Director to be added.

#### 2004-05 Surplus/Deficit

The Budget Department is projecting a \$6.1 million appropriation surplus and a \$3.4 million revenue deficit for a departmental net tax cost deficit of \$2.7 million.

#### Overtime

The department's current year budget contains an overtime budget of \$335,015. As of March 31, 2005, \$141,444 was spent on overtime.

The recommended overtime budget for FY 2005-06 is \$93,646, a decrease of 72%.

#### Personnel and Turnover Savings

Following is information by appropriation comparing current FY 2004-05 budgeted positions, March 31, 2005 filled positions and FY 2005-06 recommended positions.

<u>Appropriation/Program</u>	<u>Budgeted</u>	<u>Filled</u>	<u>Mayor's</u>	<u>Over/(Under)</u>	<u>Mayor's</u>
	<u>Positions</u>	<u>Positions</u>	<u>Budget</u>	<u>Actual to</u>	<u>Recommended</u>
	<u>FY 2004-05</u>	<u>03/31/2005</u>	<u>FY 2005-06</u>	<u>04/05 Budget</u>	<u>Turnover</u>
<b>Dept. of Health &amp; Wellness Promotion (25):</b>					
250010 Administration	16	15	12	(1)	
250020 Duplication & Delivery	11	7	4	(4)	
250030 Data Management	9	8	7	(1)	
250040 Storekeeping	5	3	4	(2)	
250050 Vital Records	16	12	12	(4)	

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2004-05</u>	<u>Filled Positions 03/31/2005</u>	<u>Mayor's</u>		<u>Mayor's Recommended Turnover</u>
			<u>Budget Positions FY 2005-06</u>	<u>Over/(Under) Actual to 04/05 Budget</u>	
250060 Biostatistics	13	9	13	(4)	
<b>00068 Administration</b>	<b>70</b>	<b>54</b>	<b>52</b>	<b>(16)</b>	<b>\$ 429,659</b>
250340 Epidemiology	28	22	18	(6)	
250345 Immunization - General Fund	8	0	8	(8)	
250350 STD Control	12	7	11	(5)	
250420 Tuberculosis Control	16	13	12	(3)	
<b>00070 Communicable Disease Control</b>	<b>64</b>	<b>42</b>	<b>49</b>	<b>(22)</b>	<b>\$ 214,536</b>
250470 Laboratory	37	33	34	(4)	
250480 Pharmacy	11	11	11	0	
250490 Radiology	3	4	3	1	
<b>00073 Technical Support Services</b>	<b>51</b>	<b>32</b>	<b>48</b>	<b>(19)</b>	<b>\$ 134,544</b>
<b>00074 Primary Family Care</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>(1)</b>	<b>\$ 92,689</b>
250180 Public Nursing-Adm.-Community	7	6	7	(1)	
250190 Community Nursing Svc.-Community	23	21	22	(2)	
250200 Infant Death Reduction-Community	14	13	14	(1)	
250210 Medicaid Screening-Community	8	5	8	(3)	
250270 School Vision & Hearing	5	5	5	0	
250700 Medical Social Work	4	4	4	0	
<b>00077 Community Health Services</b>	<b>61</b>	<b>54</b>	<b>60</b>	<b>(7)</b>	<b>\$ 292,295</b>
<b>00078 Substance Abuse</b>	<b>10</b>	<b>5</b>	<b>9</b>	<b>(5)</b>	
250070 Housekeeping	18	17	0	(1)	
250080 Maintenance	18	15	0	(3)	
250090 Plant Protection	24	16	0	(8)	
<b>00081 Plant Operation-Herman Keifer</b>	<b>60</b>	<b>48</b>	<b>0</b>	<b>(12)</b>	
<b>00410 Nutrition Services</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>(2)</b>	<b>\$ 144,085</b>
<b>10836 Lead Abatement</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>(1)</b>	<b>\$ 68,867</b>
<b>10889 Grace Ross Center</b>	<b>11</b>	<b>8</b>	<b>11</b>	<b>(3)</b>	<b>\$ 42,419</b>
<b>10890 Northeast Center</b>	<b>15</b>	<b>10</b>	<b>15</b>	<b>(5)</b>	
<b>10892 Herman Keifer Family Center</b>	<b>18</b>	<b>14</b>	<b>13</b>	<b>(4)</b>	<b>\$ 60,781</b>
<b>10893 Animal Control Center</b>	<b>38</b>	<b>0</b>	<b>6</b>	<b>(38)</b>	
<b>10894 Community &amp; Industrial Hygiene</b>	<b>17</b>	<b>13</b>	<b>12</b>	<b>(4)</b>	<b>\$ 112,323</b>
<b>10895 Food Sanitation</b>	<b>30</b>	<b>25</b>	<b>3</b>	<b>(5)</b>	
<b>10896 Rodent Impact Program</b>	<b>38</b>	<b>27</b>	<b>28</b>	<b>(11)</b>	
<b>11390 WIC Supplemental Food 9/2005</b>	<b>73</b>	<b>57</b>	<b>0</b>	<b>(16)</b>	
<b>11393 Childhood Lead Prevention 7/2005</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>(2)</b>	
<b>11394 Childhood Lead (MDCH) 9/2005</b>	<b>8</b>	<b>7</b>	<b>0</b>	<b>(1)</b>	
<b>11395 Adoles. Health Alter. Models 9/2005</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	
<b>11401 Case Coordinating &amp; Support 9/2005</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	
<b>11402 Local Mater. &amp; Children BG 9/2005</b>	<b>10</b>	<b>4</b>	<b>0</b>	<b>(6)</b>	
<b>11403 CHSCS Outreach &amp; Advocacy 9/2005</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>(3)</b>	
<b>11405 Family Planning 9/2005</b>	<b>6</b>	<b>5</b>	<b>0</b>	<b>(1)</b>	
<b>11406 Immunization Action Plan 9/2005</b>	<b>8</b>	<b>7</b>	<b>0</b>	<b>(1)</b>	
<b>11411 STD Control 9/2005</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>(3)</b>	
<b>11413 Bio-Terrorism Laboratory 9/2005</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>	
<b>11420 Healthy Start Initiative 8/2005</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>(3)</b>	
<b>11676 WIC Supplemental Food 9/2006</b>	<b>0</b>	<b>73</b>	<b>73</b>	<b>73</b>	
<b>11679 Childhood Lead Prev.-CDC 7/2006</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	

Appropriation/Program	Budgeted	Filled	Mayor's	Over/(Under)	Mayor's
	Positions	Positions	Budget	Actual to	Recommended
	FY 2004-05	03/31/2005	FY 2005-06	04/05 Budget	Turnover
11680 Childhood Lead (MDCH) 9/2006	0	8	8	8	
11681 Adol. Health-Alter. Models 9/2006	0	2	2	2	
11687 Case Coordinating & Support 9/2006	0	1	1	1	
11688 Local Mater. & Children BG 9/2006	0	10	10	10	
11689 CSHCS Outreach & Advocacy 9/2006	0	9	9	9	
11690 Family Planning 9/2006	0	6	6	6	
11691 Immunization Action Plan 9/2006	0	8	8	8	
11694 STD Control 9/2006	0	9	9	9	
11696 Bio-Terrorism Laboratory 9/2006	0	1	1	1	
11705 Healthy Start Initiative 8/2006	0	3	3	3	
25XXXX Leave of Absence	0	(7)	0	(7)	
25XXXX Worker's Comp.	0	(3)	0	(3)	
25XXXX Unmatched Positions	0	12	0	12	
<b>TOTAL</b>	<b>632</b>	<b>582</b>	<b>457</b>	<b>(50)</b>	<b>\$1,592,198</b>

### Proposed Layoffs and Vacant Position Reductions

Of the proposed reduction of 155, 48 are layoffs and 107 are vacancies.

<u>Appropriation/Cost Center</u>	<u>Title</u>	<u>Fund</u>	<u>Deletions</u>	<u>Comments</u>
Administration	Admin Specialist I	GF	(1)	Vacancy
<b>Administration</b>	<b>Deputy Director - Public Health</b>	<b>GF</b>	<b>1</b>	<b>Upgrade</b>
Administration	General Manager I	GF	(1)	Vacancy
Administration	Office Asst. III	GF	(1)	Vacancy
Administration	Sr. Steno	GF	(1)	Vacancy
Animal Control Center	Animal Control Officer	GF	(17)	Layoffs/Vac
Animal Control Center	Bldg. Attendant A	GF	(1)	Layoff
Animal Control Center	Dog Pound Assistant	GF	(1)	Layoff
Animal Control Center	Office Asst. II	GF	(2)	Layoffs
Animal Control Center	Principal Clerk	GF	(1)	Layoff
Animal Control Center	Senior Veterinarian	GF	(1)	Layoff
Animal Control Center	Sprvsg Animal Control Officer	GF	(6)	Layoffs
Animal Control Center	Vet Technician	GF	(2)	Layoffs
Comm Nursing Svcs - Comm.	Office Asst. II	GF	(1)	Vacancy
Comm. & Industrial Hygiene	Office Asst. II	GF	(1)	Vacancy
Comm. & Industrial Hygiene	Office Asst. III	GF	(2)	Vacancy
Data Management	Office Asst. II	GF	(1)	Vacancy
Data Management	Sr. Data Prog Analyst	GF	(1)	Vacancy
Duplication & Delivery	Delivery Driver	GF	(4)	Vacancy
Epidemiology	Office Asst. II	GF	(3)	Vacancy
Epidemiology	Office Asst. III	GF	(2)	Vacancy
Food Sanitation	Head Public Health Sanitarian	GF	(1)	Layoff
Food Sanitation	Office Asst. III	GF	(2)	Vacancy
Food Sanitation	Principal Sanitarian	GF	(4)	Layoff
Food Sanitation	Public Health Educator	GF	(1)	Layoff
Food Sanitation	Public Health Sanitarian	GF	(22)	Layoff/Vac
HK Family Center	Medical Asst.	GF	(1)	Vacancy

<u>Appropriation/Cost Center</u>	<u>Title</u>	<u>Fund</u>	<u>Deletions</u>	<u>Comments</u>
<u>Appropriation/Cost Center</u>	<u>Title</u>	<u>Fund</u>	<u>Deletions</u>	<u>Comments</u>
Administration	Admin Specialist I	GF	(1)	Vacancy
<b>Administration</b>	<b>Deputy Director - Public Health</b>	<b>GF</b>	<b>1</b>	<b>Upgrade</b>
HK Family Center	Office Asst. II	GF	(3)	Vacancy
Laboratory	Office Asst. III	GF	(2)	Vacancy
Nutrition Services	Office Asst. II	GF	(1)	Vacancy
Nutrition Services	Office Asst. III	GF	(1)	Vacancy
Plant Operation & Maintenance	Asst. Supervisor of Bldg. Maintenance	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Bldg. Attendant A	GF	(14)	Gen Svcs.
Plant Operation & Maintenance	Bldg. Maint Foreman	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Bldg. Maint Sub-Foreman	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Bldg. Trades Worker - General	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Building Operator II	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Building Trades Helper	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Electrical Worker - General	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Finish Carpenter	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Finish Painter	GF	(2)	Gen Svcs.
Plant Operation & Maintenance	Health Dept. Housekeeping Supervisor	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Mechanic Helper - Operations	GF	(3)	Gen Svcs.
Plant Operation & Maintenance	Office Asst. III	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Plumber	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Repair Mechanic	GF	(1)	Gen Svcs.
Plant Operation & Maintenance	Senior Building Attendant	GF	(2)	Gen Svcs.
Plant Operation & Maintenance	Senior Service Guard - General	GF	(5)	Hmld. Sec.
Plant Operation & Maintenance	Service Guard - General	GF	(17)	Hmld. Sec.
Plant Operation & Maintenance	Sprvsg Institutional Attendant	GF	(1)	Hmld. Sec.
Plant Operation & Maintenance	Sprvsg Svc. Guard - Grade II	GF	(1)	Hmld. Sec.
Plant Operation & Maintenance	Vehicle Operator I	GF	(1)	Gen Svcs.
Rodent Impact Program	Environmental Control Inspector	GF	(1)	Vacancy
Rodent Impact Program	Office Asst. III	GF	(1)	Vacancy
TB Control	Delivery Driver	GF	(1)	Vacancy
TB Control	Office Asst. II	GF	(2)	Vacancy
TB Control	Office Asst. III	GF	(1)	Vacancy
Vital Records	Teller	GF	(4)	Vacancy
<b>TOTAL</b>			<b>(155)</b>	

### Significant Changes in Funding by Appropriation (Other than Salary Reductions)

<u>Appro.</u>	<u>Program</u>	
00377	Grant Contributions - Cash	The increase of \$700,000 is needed to fulfill the state mandated 20% match for the Substance Abuse grant. The in-kind contribution has decreased through the years. The cash match is now \$1.3 million and the in-kind contribution is \$700,000.
00953	Health Facilities	This \$1 million appropriation is reduced to \$-0-.
00070	Communicable Disease Control	Contractual Services have been reduced by \$180,000 in STD control and TB Control, about 44% of the current budget.

Appro.    Program

00076	Primary Family Care	This activity's contractual service is recommended to decrease by \$500,000, or 42%. These funds are used to contract medical professionals for the 4 health clinics. The remaining funds total \$740,000.
00077	Community Health Services	Personal Services Contract budget for School Vision & Hearing Tests is being cut by 33%. Personal Services Contract budget for Community Nursing Services is being cut by 50%.
10893	Animal Control	The funding is recommended to decrease by \$633,619. The proposal is to pay the Michigan Humane Society \$1.1 million to takeover the function of picking up animals. Six staff would remain in this function – 3 to handle animal care and licensing and 3 investigators to enforce the penalties of local law.
10895	Food Sanitation	The appropriation is decreasing by \$1.8 million due to shifting restaurant inspections to Wayne County. The administration does anticipate keeping the food handler permit function because it generates sufficient revenues to pay for itself.
10896	Rodent Impact Program	Two ftes are being eliminated from this function. The cost of this program is \$1.7 million and there is offsetting revenue of \$650,000 that is being moved to Administrative Hearings.
00073	Technical Support Services	The Lab and Pharmacy Services are reducing the operating medical supply accounts by 35% or \$717,000. The \$500,000 reduction in Pharmacy will reduce the amount of prescriptions to be provided to clinic patients.
00081	Plant Operation and Maintenance	According to the recommended budget, the janitorial and maintenance functions are being shifted to the new General Services department. Plant Protection is being shifted to Homeland Security. The remaining appropriations are to pay for utilities.

Significant Revenue Changes

Budgeted city fees and reimbursements decrease by \$3.24 million. The majority of this was a one-time payment from Medicaid of \$3.3 million that the department was allowed to rebill from prior years.

\$1.58 million was added to the Primary Health Clinics for additional reimbursements for services, primarily Medicaid billings.

In the current budget \$650,000 in the Rodent Impact Program was a new revenue for Health based on the ticket revenue tied to the new Civil Infractions Bureau. However, this was budgeted in error in Health because it was already budgeted in Administrative Hearings Department.

\$175,000 in fees is added for Food Handler permits.

\$35,000 in fees is added for Business Licenses based on last year's actuals.

State and federal grants are annually fluid - increasing, reducing, being eliminated or being created. The net effect of these changes is that the grants are increasing by \$2.6 million in FY 2005-06. In the current year, the grants were projected to come in by \$2.4 million less than what was budgeted in 2003-04.

### **Department of Health & Wellness Promotion (25)**

Budgeted Professional and Contractual Services by Activity	FY 2004-05 Budget	FY 2005-06 Recommended	Increase (Decrease)
Administration	\$ 15,000	\$ 15,000	\$ -
Personal Health Services	1,282,970	740,000	(542,970)
Community Health Services	46,850,163	48,175,876	1,325,713
Environmental Health Services	483,470	1,545,276	1,061,806
Clinical Support Services	824,231	227,795	(596,436)
<b>Total</b>	<b><u>\$ 49,455,834</u></b>	<b><u>\$ 50,703,947</u></b>	<b><u>\$ 1,248,113</u></b>

### Issues and Questions

1. How can there be more positions deleted than there are vacant, and yet turnover savings is increasing by \$623,000 to \$1.5 million? Conceptually, there are no remaining vacant positions to partially fund. Please explain. How many positions are remaining in the budget and yet partially funded?
2. With the Animal Control Function planning to shift, will there still be a need to build a new Animal Control Facility?
3. Have the \$6.2 million in capital funds that were budgeted in the past 5 fiscal years been used? On which projects?
4. Why is it that the food handler permit revenue can cover the staff costs, but it wasn't possible for the restaurant inspection function to do the same? Instead of keeping part of the function, why not spin it all off to the county? With the severe cut of accountants in Finance there needs to be a reduction of functions that need to be accounted for. Or, what is the passivity that restaurant inspections could pay for themselves? That would involve increasing it more than five times what is currently being charged/collected. Has the county covered their costs in this function? What is the rationale for increasing revenue for foodhandler permits?

5. In the health clinics, there was a cut of contractual medical services by \$500,000 or 42% and yet revenues have been increased by \$1.6 million or 160%. How is this projection reasonable?
6. The Rodent Impact Program revenues are based on tickets that will be written. How much has been budgeted in Administrative Hearings for Rodent Tickets? How much has been collected since the DAH opened in January concerning the rodent impact function?
7. Please explain how the program will work with the Michigan Humane Society and how they will interact with residents who have problems with wild animals running loose in their neighborhoods.

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